



**David H. Armistead  
General Counsel & Secretary**

October 16, 2015

**By Electronic Transmission**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, D.C. 20554

***RE: Connect America Fund, WC Docket No. 10-90; Universal Service Contribution  
Methodology, WC Docket No. 06-122***

Dear Ms. Dortch:

On October 14, 2015, Trey Judy, Director – Regulatory and the undersigned, General Counsel and Secretary, all of Hargray Communications Group, Inc. (“Hargray”), met with Carol Matthey, Suzanne Yelen and Alexander Minard of the Wireline Competition Bureau and then in a separate meeting with Rebekah Goodheart, Legal Advisor to Commissioner Mignon Clyburn, and Amy Bender, Legal Advisor to Commissioner Michael O’Rielly, to discuss issues pending in the above-cited proceedings relating to the reform of the FCC’s system for providing support to high-cost, rate-of-return local exchange carriers.

In the course of that discussion, the Hargray representatives expressed their support for the bifurcated approach as filed by the associations, but emphasized there were key components of the proposal that, if materially changed, would render it untenable for Hargray and many others in the industry.<sup>1</sup> In particular, the Hargray representatives stressed the recovery of prior investment, the magnitude and nature of capital and operating expense limitations, the budget control mechanism, and the revenue benchmark for the new mechanism as critical elements of the proposal that were essential to it being acceptable for rate of return carriers generally. Hargray stressed a willingness to work with the FCC and others in the industry to address any possible adjustments to those components and the other elements of the proposal.

If you have any questions, please contact the undersigned.

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<sup>1</sup> See Letter from B. Lynn Follansbee, USTelecom, to Marlene H. Dortch, FCC, WC Docket No. 10-90 (filed Sept. 25, 2015).

Respectfully submitted,

/s/ David Armistead

David Armistead

cc: Carol Matthey  
Alexander Minard  
Suzanne Yelen  
Rebekah Goodheart  
Amy Bender